

**What is the unemployment insurance program?**

The unemployment insurance program provides weekly benefits to eligible unemployed workers. These benefits provide economic stability to the workers and their families during temporary periods of unemployment and help lessen the effect of unemployment on the local economy. The program is financed solely through employer contributions (taxes). It is not operated as a part of the federal social security system, the state worker's compensation program or any federal or state welfare program.

**What is the relationship between Wisconsin's Unemployment Insurance Law and the Federal Unemployment Tax Act (FUTA)?**

Unemployment insurance is a federal-state program jointly financed through federal and state employer payroll taxes. The federal unemployment tax is used, in part, to finance the administrative expenses of each state's unemployment insurance program and certain federal costs related to extended benefits. Employer payroll taxes collected under the Wisconsin Unemployment Insurance Law and all other state unemployment insurance laws are used only to pay benefits to unemployed workers.

**The Wisconsin Unemployment Insurance Law is administered by the  
Unemployment Insurance Division  
of the  
Department of Workforce Development**

The Department of Workforce Development does not discriminate on the basis of disability in the provision of services or in employment. If you need this printed material interpreted or in a different form or if you need assistance in using this service, please contact us by calling (608) 267-8997.

## INTRODUCTION

This handbook provides information about the Wisconsin Unemployment Insurance Law, Chapter 108, Wisconsin Statutes. It is intended to assist employers in meeting their obligations under the law. The handbook is based on the unemployment insurance statutes currently in effect. It does not take precedence over the law or regulations and is subject to change as a result of law revisions and court rulings. Excerpts from Chapter 108 and related administrative rules are included in this handbook to assist in explaining particular provisions of the law.

**Unemployment Insurance staff are available Monday through Friday from 7:45 AM to 4:30 PM. A list of employer assistance telephone numbers can be found on the back of this handbook.**

When updated pages for the handbook are available, they will be announced in the "Wisconsin Unemployment Insurance Update" inserted with your quarterly wage and tax reports.

Current and prior versions of the handbook can be viewed or printed from our website at:  
**[www.dwd.state.wi.us/ui201](http://www.dwd.state.wi.us/ui201)**



**If you do not have internet access**, you may use the form below to request additional copies of the handbook or packets of the most recently updated pages.

Send your request form **with a self-addressed, adhesive mailing label to:**

Unemployment Insurance Division  
Employer Handbook  
P.O. Box 7905  
Madison WI 53707

✂

\*\*\*\*\*

### REQUEST FOR COPIES OR UPDATES OF THE EMPLOYER HANDBOOK, UCB-201

**Name of Business:**

\_\_\_\_\_

**UI Account Number:**

\_\_\_\_\_

\_\_\_\_\_ copies

**BE SURE TO ENCLOSE A SELF-ADDRESSED,  
ADHESIVE MAILING LABEL WITH THIS REQUEST FORM.**

# TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>SECTION 1 - BENEFITS</b>		<b>6</b>	<b>WAGES AND OTHER KINDS OF INCOME</b>
<b>1</b>	<b>IMPORTANT DEFINITIONS</b> ..... 1.01		<b>1.10</b>
<b>2</b>	<b>REQUIRED POSTERS AND NOTICES</b> ..... 1.03	A.	Definition of Wages ..... 1.10
	Form UCB-7-P, Notice to Employees		Base Period Wages..... 1.10
	About Claiming Unemployment		Benefit Year Wages ..... 1.10
	Benefits ..... 1.03		Taxable Wages ..... 1.10
	Other Special Notices ..... 1.03	B.	Treatment of Wages and Other
	Copy of Form UCB-7-P ..... 1.04		Types of Income in the Base
<b>3</b>	<b>DETERMINING IF A PERSON QUALIFIES FOR BENEFITS AND CALCULATING THE AMOUNT THAT CAN BE PAID TO THE PERSON WHO DOES QUALIFY</b> ..... 1.05		Period and the Benefit Year ..... 1.10
	A. Qualifying Wage		Chart..... 1.10
	Requirements..... 1.05	C.	Determining the Amount of
	Base Period..... 1.05		Benefits to Pay When the
	Weekly Benefit Rate..... 1.05		Claimant Reports Wages and/or
	Base Period Wages ..... 1.05		Other Income on a Weekly
	Additional Requirement		Claim for a Benefit Check..... 1.14
	for Some Claims..... 1.05		Maximum Weekly
	B. Other Qualifying Requirements..... 1.05		Earnings Chart ..... 1.15
	Able and Available for Work..... 1.05	<b>7</b>	<b>ELIGIBILITY ISSUES</b> ..... 1.16
	Work Search for		Your Responsibility ..... 1.16
	Suitable Work..... 1.06		The Procedure ..... 1.16
	C. How a Claimant's Entitlement		The Issues..... 1.16
	Is Calculated ..... 1.06	A.	35 Hours of Pay For a Claimed
<b>4</b>	<b>CALCULATING YOUR LIABILITY FOR A BENEFIT CLAIM</b> ..... 1.07		Week ..... 1.17
	Proportional Charging ..... 1.07	B.	40 Hours of Work in a Claimed
	Notice of Liability and Charges ..... 1.07		Week ..... 1.17
	Situations When Liable Employers	C.	Discharge ..... 1.17
	are Relieved of Charges ..... 1.07	D.	Disciplinary Suspension ..... 1.19
<b>5</b>	<b>BENEFIT REPORTS REQUIRED BY THE DEPARTMENT</b> ..... 1.09	E.	Employees of Educational
	Form UCB-16,		Institutions ..... 1.19
	Separation Notice ..... 1.09	F.	Excluded Employment..... 1.20
	Form UCB-23, Wage Verification/		Chart: Employment That Is
	Eligibility Report ..... 1.09		Excluded for Benefit
	Form UCB-719, Urgent		Purposes ..... 1.21
	Request for Wages ..... 1.09		Chart: Chapter DWD 145 -
	Quarterly Wage Reports ..... 1.09		Active Processing Seasons
			For Fruits & Vegetables
			In Wisconsin ..... 1.22
		G.	Family Controlled Employment ..... 1.23
			Treatment of Limited Liability
			Companies (LLCs) ..... 1.23
			Corporations or LLCs Treated
			as Corporations ..... 1.23
			Partnerships or LLCs Treated
			as Partnerships ..... 1.24
			Sole Proprietorships or LLCs
			Treated as Sole
			Proprietorships ..... 1.24
		H.	Family Medical Leave..... 1.24

	<u>Page</u>
I. Independent Contractor .....	1.24
J. Labor Dispute .....	1.24
K. Leave of Absence .....	1.24
L. Lost License .....	1.25
M. Medical Leave .....	1.25
N. Pension Payments .....	1.25
O. Professional Athletes .....	1.25
P. Quit.....	1.25
Chart: Exceptions to the Standard Quit Disqualification .....	1.27
Voluntary Reduction of Hours ..	1.29
Special Guidelines for Temporary Help Agencies.....	1.30
Q. Reduction in Hours At Employee's Request .....	1.30
R. Refused Work .....	1.30
S. School Year Employees.....	1.31
T. Self-Employment.....	1.31
U. Students .....	1.31
V. Unable/Unavailable for Work .....	1.31
W. Wages and Other Income .....	1.32
X. Walking Off the Job.....	1.32
Y. Work Available With Current Employer .....	1.32
Z. Work Search .....	1.33
 <b>8 FRAUDULENT CLAIMS/PENALTIES .....</b>	 <b>1.34</b>
 <b>9 UI BENEFIT REPORTS AND FORMS SENT TO EMPLOYERS .....</b>	 <b>1.35</b>
A. UCB-16, Separation Notice.....	1.36
B. UCB-23, Wage Verification/Eligibility Notice .....	1.38
C. UCB-719, Urgent Request for Wages.....	1.40
D. Quarterly Wage Reports .....	1.40
E. UCB-20, Initial Determination.....	1.42
F. UCB-29, Notice of Benefit Charging.....	1.44
G. UCF-350, Weekly Earnings Report .....	1.46
H. UCB-701, Computation of Unemployment Insurance Benefits .....	1.48
I. UCB-708, Notice of Changed Liability for UI Benefits .....	1.50
J. UCB-7074, UI Benefit Charges and Adjustments Report.....	1.52
K. UCF-7922, Wage/Earnings Audit .....	1.54

	<u>Page</u>
<b>SECTION 2 - TAX</b>	
<b>1 ESTABLISHING COVERAGE .....</b>	<b>2.01</b>
A. Determining Coverage Liability .....	2.01
1. Conditions Exclusive to Commercial Employers .....	2.01
2. Conditions Exclusive to Agricultural Employers .....	2.01
3. Conditions Exclusive to Domestic Employers .....	2.01
4. Conditions Exclusive to Nonprofit Employers.....	2.01
5. Conditions Exclusive to Government Employers.....	2.01
6. General Conditions Under Which ANY Employer Will Be Liable for UI Taxes.....	2.01
B. How to Establish Compliance.....	2.02
C. UCT-1, Wisconsin Employer's Report Form .....	2.02
Example 1: UCT-1, 2002 Wisconsin Employers Report.....	2.03
D. Time Limit on Liability.....	2.06
E. Reimbursement Financing .....	2.06
 <b>2 COVERED AND EXCLUDED EMPLOYMENT .....</b>	 <b>2.07</b>
A. Employee vs Independent Contractor .....	2.07
1. Trucking, Logging, Government Unit or Nonprofit Organization .....	2.07
2. Others.....	2.07
B. Employment Excluded by Statute ..	2.08
1. For All Employers .....	2.09
2. For All Employers Except Government Units and Nonprofit Organizations.....	2.09
3. For Government Unit, Indian Tribe and Nonprofit Organizations .....	2.10
4. For Nonprofit Organizations Only .....	2.10
5. For Governmental Unit or Indian Tribe .....	2.10
6. For Educational Institutions Only .....	2.10
C. Employment Excluded by Employer Election .....	2.11
1. Corporate Officer Exclusion .....	2.11
2. Seasonal Employer Designation .....	2.11

	<u>Page</u>
D. Tax vs Benefit Exclusion .....	2.12
Example 2: UCT-7937, Election to Exclude Principal Officers .....	2.13
Example 3: UCT-8055, Notice For Corporations .....	2.14
Example 4: UCT-9315, Election for Seasonal Employer Designation .....	2.16
<b>3 TAXABILITY OF WAGES .....</b>	<b>2.17</b>
A. Definition of Wages .....	2.17
B. Fringe Benefits .....	2.17
1. Deferred Compensation .....	2.17
2. Section 125(b) (Cafeteria Plans) .....	2.17
3. Sickness or Disability Pay .....	2.18
4. Employee Portion of FICA Taxes .....	2.18
5. Payment in Kind .....	2.18
6. Value of Room and Meals .....	2.18
<b>4 ACCOUNT REPORTING .....</b>	<b>2.20</b>
A. Filing a Quarterly Report .....	2.20
B. Internet Tax and Wage Reporting ..	2.20
C. Zero Payroll Reporting Telephone System .....	2.21
D. Employer Agent Reporting Format.	2.21
E. UCT-101, Employer's Quarterly Contribution/Wage Report Form .	2.21
F. Federal Employer Identification Number (FEIN) .....	2.23
Examples 5-8: UC-101A, Quarterly Contribution/ Wage Report .....	2.24
Example 9: UCT-101, Quarterly Contribution Report .....	2.28
Example 10: UCT-6491, Account Change Information...	2.29
G. How Your Tax Rate is Determined ...	2.30
H. Lowering Your Tax Rate .....	2.31
Example 11: UCT-100B, 2002 Unemployment Insurance Tax Rate Notice.....	2.32
Example 12A: 2002 Unemploy- ment Rate Schedule D .....	2.33
Example 12B: 2005 Unemploy- ment Rate Schedule B .....	2.34
I. Filing an Adjustment Report.....	2.35

	<u>Page</u>
J. UCT-7842, Contribution Adjustment Report Form .....	2.35
Example 13: UCT-7842, Contribution Adjustment Report.....	2.36
K. Reading Your Account Statement..	2.38
L. UCT-102, Employer UI Account Statement Form.....	2.38
Example 14: UCT-102, Employer UI Account Statement .....	2.39
M. FUTA Crossmatch Program .....	2.40
Example 15: Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.....	2.41
N. Payment of Taxes Via Electronic Funds Transfer .....	2.43
O. Closing Your Account.....	2.43
<b>5 UNIQUE REPORTING SITUATIONS ..</b>	<b>2.44</b>
A. Temporary Help Company .....	2.44
1. Definition .....	2.44
2. Determining Employer Liability .....	2.44
B. Professional Employer Organization .....	2.44
1. Definition .....	2.44
C. Common Paymaster.....	2.45
1. Definitions.....	2.45
2. Qualifying Requirements .....	2.45
D. Multi-State Employment .....	2.45
1. Localization .....	2.46
2. Base of Operations.....	2.46
3. Place of Direction & Control .....	2.46
4. Residence of Employee .....	2.46
5. LLC Electing to be Treated as a Corporation.....	2.46
<b>6 BUSINESS TRANSFERS AND TAKING OVER A UI ACCOUNT .....</b>	<b>2.47</b>
A. Transfer of Business .....	2.47
B. Taking Over a UI Account .....	2.47
C. UCT-115, Report of Business Transfer Form.....	2.47
1. Former Owner/Operator .....	2.48
2. New Owner/Operator .....	2.48
3. Relationship Between Parties ..	2.48
4. Effective Dates .....	2.48
5. Option for New Owner/Operator .	2.48
6. Method of Transfer .....	2.48
7. Assets Transferred .....	2.48
8. Continuation of Business.....	2.48

9. Number of Employees.....	2.48
10. Identify Nature of Business Transferred.....	2.48
11. Total or Partial Transfer .....	2.49
12. Required Signature .....	2.49
Example 16: UCT-115, Report of Business Transfer .....	2.50
D. When You Must Take Over the UI Account Experience of the Former Owner/Operator .....	2.52
E. Effects of Taking Over a UI Account.....	2.52
F. UI Tax Rates If You Take Over An Account.....	2.52
G. Becoming a Newly Covered Employer Without Taking Over the UI Account of the Former Owner/Operator .....	2.52

<b>7 AUDITS OF EMPLOYER RECORDS .....</b>	<b>2.54</b>
A. Audit Selection .....	2.54
B. Statutory Authority for Audit .....	2.54
C. What to Expect.....	2.54
D. Your Right to Appeal.....	2.54
E. Auditor as a Resource.....	2.54

## **UI TAX REPORTS AND FORMS FOR EMPLOYERS**

UCT-1, 2002 Wisconsin Employers Report .....	2.03
UCT-7937, Election to Exclude Principle Officers.....	2.13
UCT-8055, Notice for Corporations .....	2.14
UCT-8055, Worksheet - Corporate Officer Exclusion .....	2.15
UCT-9315, Election for Seasonal Employer Designation .....	2.16
UCT-101A, Quarterly Contribution/ Wage Report.....	2.24
UCT-101, Quarterly Contribution Report .....	2.28
UCT-6491, Account Change Information .....	2.29
UCT-100B, 2002 Unemployment Insurance Tax Rate Notice .....	2.32
2002, Unemployment Rate - Schedule D .....	2.33
2005, UI Rate Schedule B .....	2.34
UCT-7842, Contribution Adjustment Report .....	2.36
UCT-102, Employer UI Account Statement.....	2.39

**Page**

Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return .....	2.41
UCT-115, Report of Business Transfer .....	2.50

## **SECTION 3 - LEGAL**

<b>1 APPEAL TRIBUNAL HEARINGS .....</b>	<b>3.01</b>
A. BENEFIT CASES.....	3.01
1. Introduction.....	3.01
2. How to Appeal.....	3.01
a. Filing an appeal .....	3.01
b. Late appeals .....	3.02
3. Scheduling and Notice of Hearing.....	3.02
a. Scheduling a hearing date..	3.02
b. Scheduling accommodations .....	3.02
c. Withdrawals .....	3.03
4. Attendance at the Hearing.....	3.03
a. Introduction.....	3.03
b. Failure to appear at the hearing.....	3.03
5. Telephone Hearings .....	3.04
6. Preparing for the Hearing .....	3.04
a. General information .....	3.04
b. Burden of proof and level of certainty required.....	3.05
c. Witnesses .....	3.06
d. Exhibits .....	3.06
e. Medical evidence, labor market information or expert testimony and forms .....	3.07
f. Subpoenas .....	3.07
7. Prehearing Conferences .....	3.08
8. The Hearing.....	3.08
a. Accessibility .....	3.08
b. Hearing procedure.....	3.08
9. After the Hearing .....	3.09
10. Further Appeals.....	3.09
B. TAX OR STATUS CASES.....	3.10
1. Introduction .....	3.10
2. How to Appeal .....	3.10
a. Filing an appeal .....	3.10
b. Late appeals .....	3.10
3. Scheduling and Notice of Hearing.....	3.10
a. Scheduling a hearing date..	3.10
b. Scheduling accommodations .....	3.11
c. Withdrawals .....	3.11

	<u>Page</u>
4. Attendance at the Hearing .....	3.11
a. Introduction.....	3.11
b. Failure to appear at the hearing .....	3.12
5. Telephone Hearings.....	3.12
6. Preparing for the Hearing.....	3.12
a. General information.....	3.12
b. Settlements and compromises .....	3.12
c. Burden of proof and level of certainty required.....	3.13
d. Witnesses.....	3.13
e. Exhibits.....	3.14
f. Subpoenas .....	3.14
7. Prehearing Conferences .....	3.14
8. The Hearing .....	3.14
a. Accessibility.....	3.14
b. The basics.....	3.14
9. After the Hearing .....	3.15
10. Further Appeals.....	3.16
 <b>2 APPEALS TO THE LABOR AND INDUSTRY REVIEW COMMISSION (LIRC).....</b>	 <b>3.17</b>
 <b>3 APPEALS TO COURT .....</b>	 <b>3.18</b>
 <b>APPENDIX A - ADDITIONAL INFORMATION .....</b>	 <b>3.19</b>
 <b>APPENDIX B - FORMS.....</b>	 <b>3.22</b>
 <b>SECTION 4 - WAGE REPORTING</b>	
 <b>1 INTRODUCTION TO WAGE REPORTING.....</b>	 <b>4.01</b>
 <b>2 INTERNET REPORTING.....</b>	 <b>4.02</b>
 <b>3 ELECTRONIC DATA INTERCHANGE VIA DIAL-UP .....</b>	 <b>4.03</b>
Specifications.....	4.03
Dialing.....	4.03
New User Registration .....	4.04
File Upload.....	4.04
Electronic Mail.....	4.05
Corrections to Information Submitted Electronically.....	4.05
 <b>4 MAGNETIC MEDIA WAGE REPORTING.....</b>	 <b>4.06</b>
Magnetic Tape.....	4.06
	<u>Page</u>

Magnetic Media Transmitter Report, Form UC-7822 .....	4.07
Diskette.....	4.09
 <b>5 ELECTRONIC AND MAGNETIC DATA FORMATS .....</b>	 <b>4.10</b>
Wisconsin UI Format.....	4.10
Federal IRS/SSA Tape Format .....	4.11
Federal IRS/SSA Diskette Format .....	4.13
 <b>6 PAPER WAGE REPORTS .....</b>	 <b>4.15</b>
Guidelines for Paper Reports.....	4.15
Preprinted Forms .....	4.16
Corrections to Preprinted Information of Wage Reporting Forms .....	4.16
Form UC-101A, Quarterly Tax/Wage Report .....	4.17
Form UC-7823, Quarterly Wage Report .....	4.19
Form UC-7827, Pin Feed Wage Report .....	4.21
Form UC-7832, Template for Wage Report .....	4.23
 <b>7 MAILING INSTRUCTIONS FOR WAGE AND TAX REPORTS.....</b>	 <b>4.25</b>
Mailing Magnetic Media Wage Reports .....	4.25
Mailing Paper Wage Reports .....	4.25
 <b>8 CORRECTIONS TO INFORMATION PREVIOUSLY REPORTED .....</b>	 <b>4.26</b>
Corrections to Data Submitted Electronically or Magnetically .....	4.26
Corrections to Information Submitted on Paper Reports.....	4.26
Wage Adjustment Report.....	4.27
 <b>9 WAGE REPORTING PENALTIES.....</b>	 <b>4.28</b>
 <b>SECTION 5 - NEW HIRE REPORTING</b>	
 <b>1 INTRODUCTION.....</b>	 <b>5.01</b>
 <b>2 COMPLIANCE .....</b>	 <b>5.02</b>
 <b>3 REPORTING INSTRUCTIONS .....</b>	 <b>5.03</b>
 <b>4 OPTIONS FOR MULTI-STATE EMPLOYERS.....</b>	 <b>5.04</b>
 <b>5 TIPS .....</b>	 <b>5.05</b>
 <b>6 NEW HIRE REPORTING FORMS .....</b>	 <b>5.06</b>
UI Calendars .....	Last Three Pages
Hours of Operation and Telephone Numbers.....	Back Cover